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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: October 1, 2007

Prominent Politicians Testify in Bawag Trial

¶1. After a week's hiatus, the Bawag trial will resume on Monday with more prominent politicians testifying. The first to testify is former Federal Chancellor Franz Vranitzky, followed by former Vice-Governor of the National Bank, Gertrude Tumpel-Gugerell. On Wednesday, former Minister of Finance and current Meinhart-Power Manager Karl-Heinz Grasser as well as current President of the Chamber of Labor Herbert Tumpel will appear before the court. Some of the witnesses have already been interrogated - for example Vranitzky, who received an honorarium of 72,000 euros from investment banker Wolfgang Flittl, allegedly for his role as a consultant. [ORF online, Oe1 radio morning news]

Reformer Pröll for Majority Voting System

¶2. On Monday, the "perspective group" headed by Minister for the Environment Josef Pröll, which has worked out guidelines for the future OeVP policy, will make a case for the introduction of a majority voting system. Several options are on the table that will now be discussed. Also, the group has made various suggestions concerning family policy - "family splitting" that will lead to extensive tax benefits for families - and the future status of homosexual partnerships. [Der Standard, p. 1 and 2]
The core points of the perspectives outlined by Josef Pröll's "perspective group" concern the family - its economic position will be strengthened by so-called "family splitting," whereby the overall income of a family will be divided by the number of family members to help determine the amount of income tax to be paid by the respective family. According to mass circulation tabloid "Neue Kronenzeitung," this amounts to a 15th salary for families. The SPÖ objects to this proposal and has already labeled it "retro" and an "ideological relic." SPÖ spokesman Josef Kalina argues that family taxation, which was abolished by former Chancellor Bruno Kreisky, "primarily benefits well-to-do families with only one earner, quotes mass circulation daily "Kurier." With regard to the much-debated "gay marriage" issue, the OeVP has proposed a "registered partnership" which would give homosexual couples all the rights of regular marriage - except for the right to adopt children, reports independent daily "Der Standard." The daily also analyses Pröll's proposals with regard to the various leadership claims within the OeVP and comes to the conclusion that Josef Pröll may have taken the lead with regard to the debate about the future course of the OeVP, but party boss Wilhelm Molterer has nevertheless staked out his claim to lead the party into the next elections and assume the chancellorship.

Plassnik Critical of US Policy

13. Austrian Foreign minister Ursula Plassnik ended her New York trip on the occasion of the UN General Assembly with cautious criticism of the US administration. She warned that "no one, not even the most powerful [state] can master the challenges of the 21st century alone" and added that "unilateralism and nationalism will lead to a dead end" – an allusion to the US policy in Iraq. In her speech before the UN General Assembly, Plassnik called for a new, global partnership. [Die Presse, Sa, p. 8]

In an interview with centrist daily "Die Presse," the Austrian Foreign Minister summed up her New York trip and stressed the good cooperation with Federal Chancellor Alfred Gusenbauer, who had likewise been at the UN General Assembly. She pointed out Austria's connections with the Pacific states concerning the dialogue about climate change and emphasized her contacts with 15 representatives of West Africa – in preparation of the November conference in Burkina Faso. These "exotic" meetings have to be seen against the backdrop of Austria's efforts to gain a seat in the UN Security Council, writes the daily. In New York, Plassnik also met with her Syrian colleague Muallem, and in this respect, she was pleased to note that the US is now prepared to include Syria in the Middle East peace effort. "It is important that Syria uses this chance and commits itself in Lebanon in a constructive way," said the Foreign Minister and added that the development of relations between the EU and Syria depends on that.

Timochenko ahead in Ukrainian Parliamentary Elections

14. The promoters of the so-called "orange revolution" have apparently achieved a majority in the early parliamentary elections that took place on Sunday. According to the projected results, the party of former Prime Minister Julia Timochenko is ahead with 33.38 percent of the votes, almost ten percent more than in the elections ten months ago. The early election was made necessary because of the political crisis that has blocked the country for months – the divide between the pro-Russian camp of current Prime Minister Viktor Yanukovich and the recently reconciled pro-Western alliance of the orange revolution of opposition leader Timochenko and the current President Yushchenko. The latter announced before the elections that he was prepared to work together with his former political ally Timochenko. [ORF online, Oel radio morning news]

Both President Yushchenko and Julia Timochenko have already ruled out a coalition with acting Prime Minister Yanukovich, reports ORF online. The Kremlin is threatening to intervene indirectly – depending on the final outcome of the elections, Russia will set the price for gas deliveries. ORF online quotes the Ukrainian daily "Kommersant," which, citing Russian gas supplier "Gazprom as its source, asserts that the price of future gas deliveries will lie between 102 and 123 euros per cubic meter if Yanukovich heads the new government – if opposition leader Timochenko takes over, however, the price could be raised to 162 euros per cubic meter. Mass circulation daily "Kurier" has predicted that whoever heads the new Ukrainian government will have much to contend with: A complete re-structuring of the state's institutions. Their weakness became apparent in the spring when the President had wanted to fire the Prosecutor General and the latter refused to leave his post and barricaded himself in his office with the backing of the Prime Minister. A situation like this is attributable to an unclear constitution that does not provide for a precise division of competencies between Prime Minister and President, writes the daily.

Bush Wants Measurable Progress in Climate Protection

15. At a climate summit hosted by the US government in Washington, at which 16 large industrial nations participated, US President Bush intends to build a new consensus in the climate protection issue. In the run-up to the summit, critics had claimed that Washington was trying to undermine the respective efforts of the United Nations. The US tried to allay these concerns by stressing the necessity for joint action. In her opening speech, Secretary of State Condoleezza Rice said that "[we] all need partners" and called for an international consensus in the climate issue. However, the approaches differ in just this respect: While the UN emphasizes the necessity for binding targets, the Bush administration holds that the individual countries must decide on the respective steps to ensure climate protection. In his address before the delegates on Friday, Bush admitted, however, that "these measures must yield measurable results." This concession is seen as an important step

towards a rapprochement of the two diametrically opposed positions.

[Die Presse, Sa, p. 8]

The Bush administration insists that large nations such as India and China have to be included in any climate targets. According to the White House advisor for environmental issues, Jim Connaughton, these states will soon overtake the industrial nations as main producers of emissions - therefore, effective climate protection is only possible with their participation, he maintains. Summing up the conference, centrist daily "Die Presse" points out that, despite much skepticism, Bush's change of heart on the climate issue was acknowledged. Since his inauguration in 2001, when Bush outright rejected Kyoto, his position has changed considerably - at the G-8 summit in Germany, he had to contend with the fact that climate policy was a major issue and reacted to this by proposing the conference in Washington. In Germany, the US President for the first time endorsed a new global climate protection agreement. On the other hand, Bush has simply skipped the UN climate summit, points out Oel evening radio news, which is decidedly more skeptical about any fundamental change in US policy. "Even if President Bush has announced a global fund for the promotion of environmentally-friendly technologies - one thing has become unmistakably clear at the climate summit in Washington: It will become very difficult at the big UN climate conference in Bali in December.

Junta Triumphs

16. After the junta has stifled the protest in the Burmese capital of Rangun over the weekend, there is now a tense calm. Hundreds of monks and civilians were arrested over the past few days - they have disappeared and nothing is known of their fate. The number of dead is also uncertain. In the meantime, UN special envoy Ibrahim Gambari has visited Burma for talks - so far without results. According to reports, junta boss General Than Shwe has denied him a meeting. Nothing is known about Gambari's talks with opposition leader Suu Kyi either. [Salzburger Nachrichten, other Austrian media] Apparently, Beijing, which has contacts to the junta and means to exert influence does not consider the unrest bad enough to intervene - after all, neither the regime nor the region have been destabilized, writes independent daily "Salzburger Nachrichten." In the meantime, the state-controlled television station has shown protest marches that were directed against the freedom movement. The members of the so-called "Union Solidarity and Development Association," which is likewise state-controlled, are celebrated as heroes and now hunt down the last demonstrators. For years, the USDA has assisted the junta in striking down protests. Independent daily "Der Standard" quotes unidentified diplomats in Rangun as giving a dire assessment of the situation. "I think that the chances of the demonstrators to go out into the streets and mobilize enough people to topple the junta are zero," one of them is quoted as saying. McCaw